

EXHIBIT “103”

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Life Insurance Trust and Eliza L. Coppock as Trustee of
Robert S. Coppock Irrevocable Life Insurance Trust

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

WINDSOR SECURITIES, LLC,

Case No. 3:15-cv-00075-EMC

Plaintiff,

vs.

**ANSWER TO COMPLAINT FOR
DECLARATORY RELIEF**

ROBERT S. COPPOCK IRREVOCABLE
LIFE INSURANCE TRUST; and
ELIZA L. COPPOCK AS TRUSTEE OF
ROBERT S. COPPOCK IRREVOCABLE
LIFE INSURANCE TRUST,

Defendants.

Defendants, Robert S. Coppock Irrevocable Life Insurance Trust and Eliza L. Coppock as
Trustee of Robert S. Coppock Irrevocable Life Insurance Trust (collectively, the "Trust")
respond(s) as follows to the respective numbered paragraphs of the Complaint for Declaratory
Relief filed herein by plaintiff, Windsor Securities, LLC ("Windsor"), on January 7, 2015 (the
"Complaint").

1. Admit.

2. Admit.

3. Admit.

4. The Trust refers to, and by that reference incorporates and reasserts herein, its

1 respective responses to paragraphs 1 through 3 of the Complaint.

2 5. Deny.

3 6. Deny.

4 7. Admit.

5 8. Admit.

6 9. The Trust refers to, and by that reference incorporates and reasserts herein, its
7 respective responses to paragraphs 1 through 8 of the Complaint.

8 10. Admit.

9 11. Deny implication that there has been any absolute owner of the Policy other than
10 the Trust. Admit remaining allegations.

11 12. Lack information or belief sufficient to allow unequivocal response, and on that
12 basis deny.

13 13. Admit.

14 14. Admit that the Trust entered into the written agreement comprising the documents
15 in the Financing Agreement Package. Deny allegations purporting to characterize the contents
16 and/or legal effect of those documents, or of any other documents that may be referred to either
17 directly or by implication in this paragraph of the Complaint, on the grounds that such
18 characterizations are necessarily partial, misleading, and taken out of context, and that all such
19 documents, in their entirety and in the context of the entire Financing Agreement Package, must
20 speak for themselves. Deny any remaining allegations.

21 15. Admit that the Trust entered into the written agreement comprising the documents
22 in the Financing Agreement Package. Deny allegations purporting to characterize the contents
23 and/or legal effect of those documents, or of any other documents that may be referred to either
24 directly or by implication in this paragraph of the Complaint, on the grounds that such
25 characterizations are necessarily partial, misleading, and taken out of context, and that all such
26 documents, in their entirety and in the context of the entire Financing Agreement Package, must
27 speak for themselves. Deny any remaining allegations.

28 16. Admit that the original Trustee signed and returned the Pacific Life document

1 entitled "Collateral Assignment." Deny allegations purporting to characterize the contents and/or
2 legal effect of that document, or of any other documents that may be referred to either directly or
3 by implication in this paragraph of the Complaint, on the grounds that such characterizations are
4 necessarily partial, misleading, and taken out of context, and that all such documents, in their
5 entirety and in the context of the entire Financing Agreement Package, must speak for themselves.
6 Deny any remaining allegations.

7 17. Admit that Robert S. Coppock informed Windsor's counsel by letter dated July 15,
8 2009 that Eliza L. Coppock had replaced Robert Coppock II as Trustee. Deny any remaining
9 allegations.

10 18. Admit.

11 19. Lack information or belief sufficient to allow unequivocal response, and on that
12 basis deny.

13 20. As to allegations concerning communications between the Servicing Agent and
14 Windsor, lack information or belief sufficient to allow unequivocal response and on that basis
15 deny all such allegations. Admit that the Trust chose not to pay off the loan at the time it was
16 due. Deny that the Trust ever intended or agreed either to surrender or to transfer absolute
17 ownership of the Policy to Windsor. Deny any remaining allegations.

18 21. Admit that on or about February 15, 2010 the Trustee signed and mailed to
19 Windsor a document entitled "Request of Ownership Change." Deny allegations purporting to
20 characterize the contents and/or legal effect of that document, or of any other documents that may
21 be referred to either directly or by implication in this paragraph of the Complaint, on the grounds
22 that such characterizations are necessarily partial, misleading, and taken out of context, and that
23 all such documents, in their entirety and in the context of the entire Financing Agreement
24 Package, must speak for themselves. Deny any remaining allegations.

25 22. Deny allegations purporting to characterize the contents and/or legal effect of the
26 document signed and returned by the Trust on or about February 15, 2010, of the Assignment Of
27 Life Insurance Policy As Collateral contained in the Financing Agreement Package, or of any
28 other documents that may be referred to either directly or by implication in this paragraph of the

1 Complaint, on the grounds that such characterizations are necessarily partial, misleading, and
2 taken out of context, and that all such documents, in their entirety and in the context of the entire
3 Financing Agreement Package, must speak for themselves. Admit that the Trust has not objected
4 to the authenticity or actual legal effect of the document signed and returned by the Trust on or
5 about February 15, 2010. Deny any remaining allegations.

6 23. Admit.

7 24. As to allegations concerning communications between the producer for the Policy
8 and Windsor, lack information or belief to sufficient to allow unequivocal response and on that
9 basis deny all such allegations. Admit that on or about March 30, 2010, Robert S. Coppock, as
10 the Insured under the Policy, sought a document from Windsor confirming that he had no
11 personal liability flowing from the refusal of the Trust to pay when due the loan that Windsor had
12 made to the Trust. Deny any remaining allegations.

13 25. As to allegations concerning the whereabouts of Windsor's executive, lack
14 information or belief to sufficient to allow unequivocal response and on that basis deny all such
15 allegations. Admit that Windsor sent a document to Robert S. Coppock, the Insured under the
16 Policy, on or about April 23, 2010. Deny allegations purporting to characterize the contents
17 and/or legal effect of that document, or of any other documents that may be referred to either
18 directly or by implication in this paragraph of the Complaint, on the grounds that such
19 characterizations are necessarily partial, misleading, and taken out of context, and that all such
20 documents, in their entirety and in the context of the entire Financing Agreement Package, must
21 speak for themselves. Deny any remaining allegations.

22 26. Deny that Windsor was ever the absolute owner of the Policy. Deny that Windsor
23 made premium payments, or did anything else, "as owner." Admit remaining allegations.

24 27. Admit.

25 28. Admit that the Trust has made no premium payments and that Windsor made the
26 premium payments referred to. Lack information or belief sufficient to allow unequivocal
27 response to allegation as to precise total amount of those payments, and on that basis deny that
28 allegation. Deny that the Policy would have lapsed had Windsor failed to make those payments.

1 Deny any remaining allegations.

2 29. Deny that neither the Trust nor the Insured has had any idea of when premium
3 payments have come due during the last four years. Admit remaining allegations.

4 30. Admit that Windsor contacted the Trust by letter on or about June 1, 2014. Admit
5 that that letter comprised the first contact between Windsor and the Trust in more than four years.
6 Deny allegations purporting to characterize the contents and/or legal effect of that letter, or of any
7 other documents that may be referred to either directly or by implication in this paragraph of the
8 Complaint, on the grounds that such characterizations are necessarily partial, misleading, and
9 taken out of context, and that all such documents, in their entirety and in the context of the entire
10 Financing Agreement Package, must speak for themselves. Deny any remaining allegations.

11 31. Admit that the Trustee and the Insured sent Windsor a letter dated November 4,
12 2014. Deny allegations purporting to characterize the contents and/or legal effect of that letter, or
13 of any other documents that may be referred to either directly or by implication in this paragraph
14 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,
15 and taken out of context, and that all such documents, in their entirety and in the context of the
16 entire Financing Agreement Package, must speak for themselves. Deny any remaining
17 allegations.

18 32. Admit that the Trustee and the Insured sent Windsor a letter dated November 4,
19 2014. Deny allegations purporting to characterize the contents and/or legal effect of that letter, or
20 of any other documents that may be referred to either directly or by implication in this paragraph
21 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,
22 and taken out of context, and that all such documents, in their entirety and in the context of the
23 entire Financing Agreement Package, must speak for themselves. Deny any remaining
24 allegations.

25 33. Admit that the Trustee and the Insured sent Windsor a letter dated November 4,
26 2014. Deny allegations purporting to characterize the contents and/or legal effect of that letter, or
27 of any other documents that may be referred to either directly or by implication in this paragraph
28 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,

1 and taken out of context, and that all such documents, in their entirety and in the context of the
2 entire Financing Agreement Package, must speak for themselves. Deny any remaining
3 allegations.

4 34. The Trust refers to, and by that reference incorporates and reasserts herein, its
5 respective responses to paragraphs 1 through 33 of the Complaint.

6 35. Admit that the Complaint seeks declaratory relief and that Windsor and the Trust
7 might, under certain conditions that possible could but not likely to arise, assert competing claims
8 at some time in the future. Admit that Windsor claims an absolute right of ownership of the
9 Policy that includes all death benefit proceeds. Admit that the Policy death benefit proceeds total
10 two million dollars. Deny allegations purporting to characterize the contents and/or legal effect of
11 any documents that may be referred to either directly or by implication in this paragraph of the
12 Complaint, on the grounds that such characterizations are necessarily partial, misleading, and
13 taken out of context, and that all such documents, in their entirety and in the context of the entire
14 Financing Agreement Package, must speak for themselves. Deny any remaining allegations.

15 36. Admit that the Trustee and the Insured sent Windsor a letter dated November 4,
16 2014. Deny allegations purporting to characterize the contents and/or legal effect of that letter, or
17 of any other documents that may be referred to either directly or by implication in this paragraph
18 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,
19 and taken out of context, and that all such documents, in their entirety and in the context of the
20 entire Financing Agreement Package, must speak for themselves. Deny that any intention that the
21 Trust might have expressed or might express to make a claim, under certain conditions that might
22 arise in the future, for some portion of the death benefit proceeds, would be "unauthorized."
23 Deny any remaining allegations.

24 37. Admit that the Trust has the following intentions as to the Policy: (a) should
25 Windsor cease to make premium payments on the Policy, the Trust intends to consider whether or
26 not it would be in the best financial interests of the Trust to take over those payments and thus to
27 prevent the Policy from lapsing; (b) should Windsor exercise its right to hold a public or private
28 sale of the Policy pursuant to the terms of the Security Agreement and related documents

1 contained in the Financing Agreement Package, the Trust intends to attend that sale and to
2 consider whether or not it would be in the best financial interests of the Trust to purchase the
3 Policy at that sale; or (c) should the Insured pass away without Windsor's having exercised its
4 right to hold a public or private sale of the Policy pursuant to the terms of the Security Agreement
5 and related documents contained in the Financing Agreement Package, the Trust intends to
6 consider whether or not, in light of the foreseeable costs of litigation, it would be in the best
7 financial interests of the Trust to assert and prosecute what would be its valid claim, pursuant to
8 the terms of the Assignment Of Life Insurance Policy As Collateral and related documents
9 contained in the Financing Agreement Package, for specific performance by Windsor of
10 Windsor's duty to: (i) collect the death benefit from Pacific Life; (ii) retain only that portion of
11 the death benefit necessary to compensate Windsor for the amounts loaned to the Trust by
12 Windsor, plus legal interest thereon, plus recoverable costs; and (iii) provide the remainder of the
13 death benefit to the Trust. Admit that the Trust executed a "Request of Ownership Change" form
14 in or about February 2010 and that the Insured sent Windsor a written request, in or about March
15 2010, for a release from personal liability in connection with the Trust's failure to pay the
16 Windsor loan when due. Deny allegations purporting to characterize the contents and/or legal
17 effect of those documents, or of any other documents that may be referred to either directly or by
18 implication in this paragraph of the Complaint, on the grounds that such characterizations are
19 necessarily partial, misleading, and taken out of context, and that all such documents, in their
20 entirety and in the context of the entire Financing Agreement Package, must speak for themselves.
21 Deny that the Trust ever agreed to, or entered into, a voluntary surrender and assignment of the
22 Trust's ownership of and beneficial interest in the Policy to Windsor in return for a release of the
23 Trust's obligations to Windsor. Admit that the Trust did not object to the authenticity and actual
24 legal effect of the change of ownership form executed by the Trust or of the document provided
25 by Windsor to Robert S. Coppock, the Insured under the Policy, on or about April 23, 2010.
26 Deny allegations purporting to characterize the contents and/or legal effect of those documents, or
27 of any other documents that may be referred to either directly or by implication in this paragraph
28 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,

1 and taken out of context, and that all such documents, in their entirety and in the context of the
2 entire Financing Agreement Package, must speak for themselves. Deny any remaining
3 allegations.

4 38. Admit that Windsor has paid all premiums related to the Policy. Deny any
5 remaining allegations.

6 39. Admit.

7 40. Admit that neither the Insured, the Trust, nor any representative of the Trust has
8 taken any steps to rescind the forms executed by the Trust. Deny allegations purporting to
9 characterize the contents and/or legal effect of any such forms, or of any other documents that
10 may be referred to either directly or by implication in this paragraph of the Complaint, on the
11 grounds that such characterizations are necessarily partial, misleading, and taken out of context,
12 and that all such documents, in their entirety and in the context of the entire Financing Agreement
13 Package, must speak for themselves. Deny that Windsor ever became the absolute owner and
14 beneficiary of the Policy. Deny allegations purporting to characterize the contents and/or legal
15 effect of the document sent to the Insured by Windsor, or of any other documents that may be
16 referred to either directly or by implication in this paragraph of the Complaint, on the grounds that
17 such characterizations are necessarily partial, misleading, and taken out of context, and that all
18 such documents, in their entirety and in the context of the entire Financing Agreement Package,
19 must speak for themselves. Deny any remaining allegations.

20 41. Deny allegations purporting to characterize the contents and/or legal effect of the
21 Assignment Of Life Insurance Policy As Collateral and/or of controlling provisions of the
22 California Commercial Code, or of any other documents or code provisions that may be referred
23 to either directly or by implication in this paragraph of the Complaint, on the grounds that such
24 characterizations are necessarily partial, misleading, and taken out of context, and that all such
25 documents and code provisions, in their entirety and in the context of the entire Financing
26 Agreement Package, must speak for themselves. Deny any remaining allegations.

27 42. Deny that there has ever been a full and complete assignment of the Policy to
28 Windsor. Affirmatively assert that it would have been impossible for the Trust to object to such

1 an assignment, since it never occurred. Deny allegations purporting to characterize the contents
2 and/or legal effect of the Request of Ownership Change form signed by the Trustee in or about
3 February 2010, or of any other documents that may be referred to either directly or by implication
4 in this paragraph of the Complaint, on the grounds that such characterizations are necessarily
5 partial, misleading, and taken out of context, and that all such documents and code provisions, in
6 their entirety and in the context of the entire Financing Agreement Package, must speak for
7 themselves. Deny any remaining allegations.

8 43. Admit that the Trust's letter sent to Windsor in or about November 2014 was sent
9 more than four years after the Trust had informed Windsor that it would not pay off the loan when
10 due. Deny allegations purporting to characterize the contents and/or legal effect of that letter, or
11 of any other documents that may be referred to either directly or by implication in this paragraph
12 of the Complaint, on the grounds that such characterizations are necessarily partial, misleading,
13 and taken out of context, and that all such documents, in their entirety and in the context of the
14 entire Financing Agreement Package, must speak for themselves. Deny any remaining
15 allegations.

16 44. Deny allegations purporting to characterize the contents and/or legal effect of the
17 Financing Agreement Package, of the Ownership Change documents, or of any other documents
18 that may be referred to either directly or by implication in this paragraph of the Complaint, on the
19 grounds that such characterizations are necessarily partial, misleading, and taken out of context,
20 and that all such documents, in their entirety and in the context of the entire Financing Agreement
21 Package, must speak for themselves. Deny any remaining allegations..

22 45. Admit that Windsor has made all premium payments for the Policy since 2009.
23 Deny any remaining allegations.

24 46. Admit that Pacific Life could in the future *possibly* be "placed in a position of
25 conflict regarding to whom it should pay the death benefit proceeds of the Policy," but *if, and only*
26 *if, all of the following conditions were to arise:* (a) the Policy were never allowed to lapse; (b)
27 Windsor were never to exercise its right to hold a public or private sale of the Policy pursuant to
28 the terms of the Security Agreement and related documents contained in the Financing Agreement

Package; and (c) the Trust, upon the death of the Insured, were to determine that, despite the foreseeable costs of litigation, it would be in the best financial interests of the Trust to prosecute what would be its valid claim, pursuant to the terms of the Assignment Of Life Insurance Policy As Collateral and related documents contained in the Financing Agreement Package, for specific performance by Windsor of Windsor's duty to: (i) collect the death benefit from Pacific Life; (ii) retain only that portion of the death benefit necessary to compensate Windsor for the amounts loaned to the Trust by Windsor, plus legal interest thereon, plus recoverable costs; and (iii) provide the remainder of the death benefit to the Trust. Deny any remaining allegations.

47. Admit that Pacific Life could in the future *possibly* face competing claims and the risk of multiple liability, but *if, and only if, all of the following conditions were to arise*: (a) the Policy were never allowed to lapse; (b) Windsor were never to exercise its right to hold a public or private sale of the Policy pursuant to the terms of the Security Agreement and related documents contained in the Financing Agreement Package; and (c) the Trust, upon the death of the Insured, were to determine that, despite the foreseeable costs of litigation, it would be in the best financial interests of the Trust to prosecute what would be its valid claim, pursuant to the terms of the Assignment Of Life Insurance Policy As Collateral and related documents contained in the Financing Agreement Package, for specific performance by Windsor of Windsor's duty to: (i) collect the death benefit from Pacific Life; (ii) retain only that portion of the death benefit necessary to compensate Windsor for the amounts loaned to the Trust by Windsor, plus legal interest thereon, plus recoverable costs; and (iii) provide the remainder of the death benefit to the Trust. Deny any remaining allegations.

48. The Trust refers to, and by that reference incorporates and reasserts herein, its respective responses to paragraphs 1 through 47 of the Complaint.

49. Deny.

FIRST AFFIRMATIVE DEFENSE

The Court lacks subject-matter jurisdiction over this action.

SECOND AFFIRMATIVE DEFENSE

Windsor fails to state a claim upon which relief may be granted.

1 THIRD AFFIRMATIVE DEFENSE

2 Windsor is barred from obtaining the relief it seeks herein by operation of the doctrine of
3 unclean hands.

4 FOURTH AFFIRMATIVE DEFENSE

5 Windsor is barred from obtaining the relief it seeks herein by operation of the doctrine of
6 waiver.

7 FIFTH AFFIRMATIVE DEFENSE

8 Windsor is barred from obtaining the relief it seeks herein by operation of the doctrine of
9 estoppel.

10 SIXTH AFFIRMATIVE DEFENSE

11 Windsor is barred from obtaining the relief it seeks herein on the grounds that Windsor is
12 in material anticipatory breach of the contract or contracts on which it purports to ground its right
13 to such relief.

14 PRAYER

15 WHEREFORE, the Trust prays judgment as follows:

16 1. For a judicial determination that the conditions required for issuance of a
17 declaratory judgment by the Court do not presently exist, and that Windsor therefore take nothing
18 by the Complaint.

19 2. In the alternative, should the Court find that the conditions required for issuance of
20 a declaratory judgment by the Court *do* presently exist, for a judicial determination that:

21 (a) Windsor is not the absolute owner of the Policy, but is, rather, a secured
22 lender holding nominal title to the Policy, pursuant to the Security Agreement and related
23 documents contained in the Financing Agreement Package, for the limited purpose of selling the
24 Policy at a public or private sale and retaining from the proceeds of any such sale the amounts it is
25 owed by the Trust, plus legal interest thereon, plus recoverable costs, with any excess to be
26 provided to the Trust.

27 (b) *If* it should transpire that the Policy were never allowed to lapse; and *if* it
28 should further transpire that Windsor were never to exercise its right to hold a public or private

1 sale of the Policy pursuant to the terms of the Security Agreement and related documents
2 contained in the Financing Agreement Package, *then*, upon the death of the Insured, the Trust
3 would be entitled, pursuant to the terms of the Assignment Of Life Insurance Policy As Collateral
4 and related documents contained in the Financing Agreement Package, to specific performance by
5 Windsor of Windsor's duty to: (i) collect the death benefit from Pacific Life; (ii) retain only that
6 portion of the death benefit necessary to compensate Windsor for the amounts loaned to the Trust
7 by Windsor, plus legal interest thereon, plus recoverable costs; and (iii) provide the remainder of
8 the death benefit to the Trust.

9 3. For the Trust's reasonable costs, including attorney's fees pursuant to contract,
10 incurred in this action.

11 4. For such other relief as the Court may deem just and proper.

12 DATED: April 22, 2015

HENNEFER FINLEY & WOOD, LLP

13
14 /s/ Joseph Wood
Joseph Wood

15 Attorneys for Defendants, Robert S. Coppock
16 Irrevocable Life Insurance Trust and Eliza L.
17 Coppock as Trustee of Robert S. Coppock
18 Irrevocable Life Insurance Trust
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OBJECTION TO DEMAND FOR JURY TRIAL

Windsor has demanded a trial by jury of this action. The Trust objects to that demand, pursuant to the Seventh Amendment to the Constitution of the United States and case law interpreting that amendment, and requests that this action be tried to the Court.

DATED: April 22, 2015

HENNEFER FINLEY & WOOD, LLP

/s/ Joseph Wood
Joseph Wood

Attorneys for Defendants, Robert S. Coppock
Irrevocable Life Insurance Trust and Eliza L.
Coppock as Trustee of Robert S. Coppock
Irrevocable Life Insurance Trust

PROOF OF SERVICE

Joseph Wood declares:

1. I am over twenty-one years of age and am not a party to the above-named action.

My business address is 275 Battery Street, Suite 200, San Francisco, CA 94111.

2. On April 22, 2015, in San Francisco, California, I served the attached

ANSWER TO COMPLAINT FOR DECLARATORY RELIEF

on the parties to this action.

3. Service was made by electronically filing that document with the Court to be served by operation of the Court's electronic filing and notice system.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true.

DATED: April 22, 2015

/s/ Joseph Wood
Joseph Wood